

### Remarks

Claims 1-3, 5-16 and 18-20 are pending in the application.

Claims 1-3, 5, 8, 12 and 14-16 and 18-20 are rejected under 35 USC 102(e) as being anticipated by Kwan (US Patent No. 6,504,838).

Claims 6, 7, 9-11 and 13 are rejected under 35 USC 103(a) as being unpatentable over Kwan.

Kwan teaches a system in which local calling modems call their respective gateways and perform local rate negotiation. After the local rate negotiation, the two gateways then negotiate for a common rate. See Kwan, col. 67, lines 7-24, especially, "The calling and answer network gateways,...then exchange data packets containing information on the independently negotiated data rates...The call and answer modems will then undergo retraining or rate negotiation procedures by their respective network gateways to establish a new connection at the renegotiated data rate."

As amended, claims 1, 8, 12, 15 and 19 require, in the appropriate language for their format, that once the local negotiations are completed between the gateways and their respective modems, modem relay sessions begin. This is supported in the specification on page 6, lines 23-28, among other places. The advantage is that the modem relay session is started more quickly. This is an alternative approach as a solution of end-to-end, direct, modem negotiation, to that of Kwan.

It is therefore submitted that claims 1, 8, 12, 15 and 19 are patentably distinguishable over the prior art and allowance of these claims is requested.

Claims 2-3 and 5-7 depend from claim 1 and inherently contain all of the limitations of that claim. As discussed above, the prior art does not teach, show nor suggest all of the limitations of the base claim, much less the further embodiments of the dependent claims. Specifically, with regard to claims 6 and 7, the office action states, "...in that a handshake,

(as noted within Kwan), is not an analog to digital conversion, thus there is no noise. Without noise, there is no need for voice compression..." However, voice compression is not done to alleviate problems with noise. Voice compression is done to reduce the amount of data that needs to be transmitted to reconstruct voice signals. See Kwan, col. 29, lines 47-55, among many other references available on voice compression. Therefore, it would not be obvious over Kwan to specifically disable voice compression and echo cancellation, as there is no mention, hint or suggestion in Kwan to do so. It is therefore submitted that claims 2-3 and 5-7 are patentably distinguishable over the prior art and allowance of these claims is requested.

Claims 9-11 depend from claim 8 and inherently contain all of the limitations of that claim. As discussed above with regard to claims 6 and 7, the prior art does not teach, show nor suggest all of the limitations of the base claim, much less the further embodiments of the dependent claims with regard to voice compression and echo cancellation suppression. It is therefore submitted that claims 9-11 are patentably distinguishable over the prior art and allowance of these claims is requested.

Claims 13-14 depend from claim 12 and inherently contain all of the limitations of that claim. As discussed above, the prior art does not teach, show nor suggest all of the limitations of the base claim, much less the further embodiments of the dependent claims. Claim 13 is allowable for the same reasons as applied to claims 6 and 7 and 9-11 above. It is therefore submitted that claims 13-14 are patentably distinguishable over the prior art and allowance of these claims is requested.

Claims 16 and 18 depend from claim 15 and claim 20 depends from claim 19. These claims inherently contain all of the limitations of that claim. As discussed above, the prior art does not teach, show nor suggest all of the limitations of the base claim, much less the further

embodiments of the dependent claims. It is therefore submitted that claims 16, 18 and 19 are patentably distinguishable over the prior art and allowance of these claims is requested.

No new matter has been added by this amendment. Allowance of all claims is requested. The Examiner is encouraged to telephone the undersigned at (503) 222-3613 if it appears that an interview would be helpful in advancing the case.

Respectfully submitted,

MARGER JOHNSON & McCOLLOM, P.C.

*Julie L. Reed*

Julie L. Reed

Reg. No. 35,349

Customer No. 20575  
MARGER JOHNSON & McCOLLOM, P.C.  
1030 SW Morrison Street  
Portland, OR 97205  
503-222-3613